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February 28, 2003

Honorable James H. Welsh Commissioner of Conservation P.O. Box 94275, Capitol Station Baton Rouge, Louisiana 70804-9275

> RE: Application Notice 5800' Sand, Reservoir A Lake Hatch Field

> > Terrebonne Parish, Louisiana

Dear Sir:

Dimension Energy Company, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the 5800' Sand, Reservoir A, in the Lake Hatch Field, Terrebonne Parish, Louisiana.

- 1. To dissolve the two drilling and production units designated 5800' RA SU A and 5800' RA SU B created by Office of Conservation Order No. 840-B, effective October 13, 1972, for the 5800' Sand, Reservoir A, Lake Hatch Field, and simultaneously therewith to establish a single reservoirwide unit for the exploration for and production of oil and gas from the 5800' Sand, Reservoir A, Lake Hatch Field, Terrebonne Parish, Louisiana, such unit containing 214.496 acres and being designated 5800' RA SU, as more particularly shown on the attached plat, in accordance with the provisions of LSA-R.S. 30:5 (Act 441 of 1960), as amended.
- 2. To establish rules and regulations governing the exploration for and production of oil and gas from the proposed reservoirwide unit.
- 3. To force-pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed reservoirwide unit with each separate tract sharing in unit production in accordance with the terms and provisions of the Unit Agreement and to provide for the allocation to each separate tract its proportionate share of unit costs and expenses in the same proportion as such tract shares in unit production.
- 4. To approve and adopt the Unit Agreement for the 5,800' Sand, Reservoir A, Lake Hatch Field, Terrebonne Parish, Louisiana, which agreement covers the plans and terms of unit operations.
- $_{\rm 5.}$  To designate Applicant as Operator of the proposed reservoirwide unit for the 5,800' RA SU.
- 6. To exempt the proposed reservoirwide unit from the well location provisions of Statewide Order No. 29-E.
- 7. To provide that the Commissioner of Conservation should be authorized to reclassify the reservoir by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
- 8. The 5800' Sand, Reservoir A, Lake Hatch Field, Terrebonne Parish, Louisiana was fully defined in Office of Conservation Order No. 840-B, effective October 13, 1972 and further defined by Office of Conservation Order No. 840-B-3, effective June 18, 2002.

9. To consider such other matters relating to the proposed reservoirwide unit as may be appropriate and justified by the evidence presented a the public hearing.

At the public hearing on this matter Applicant will present evidence showing that the proposed unit operation of the reservoirwide unit is economically feasible, will appreciably increase the ultimate recovery of hydrocarbons from the 5800' Sand, Reservoir A, and will prevent the drilling of unnecessary wells. Accordingly, creation of the reservoirwide unit and approval and adoption of the Unit Agreement is appropriate under the provisions of LSA-R.S.30:5C(Act 441 of 1960), as amended.

Applicant has secured the execution of the Unit Agreement by more than 75% in interest of the Owners and Royalty Owners as those terms are used in LSA-R.S.30:5C(Act 441 of 1960), as amended.

Pertinent data concerning this application is available for inspection at the Offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002. Any person wishing to inspect such data should call Mr. Doffie Ross at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Lafayette District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached plat.

Applicant will provide for posting a copy of the Legal Notice of this hearing and a copy of the enclosed plat at a prominent place in the area affected by this application and will cause the publication of the Legal Notice in a newspaper published in the general area of the Lake Hatch Field. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

There is enclosed herewith on behalf of the Applicant a check made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

LOUIS GILBERT & ASSOCIATES, INC.

Doffie Ross

cc: Mr. Richard Hudson (w/enclosures)
District Manager

Mr. Charles O'Niell, III (w/enclosures)

Mr. David Daly

Interested Parties, Interested Owners
and Represented Parties (w/plat only)

